

"Brown & Williamson to Pay 17.% of Upfront Payments in Tobacco Deal"  
AFX via NewsEdge Corporation (11/24/98)

London--British American Tobacco PLC said its Brown & Williamson unit will pay 17.9% of the "upfront" payments in the US\$206 billion settlement between U.S. attorneys general and the U.S. tobacco industry. B&W's share of all the other payments will be calculated on the basis of its market share for the year in question. The principal payments required include, inter alia: An initial "upfront" payment of US\$2.4 billion per year in early Dec 1998; additional upfront payments for four years of US\$2.4 billion adjusted for inflation at 3% per year; ongoing annual payments in perpetuity starting at US\$4.5 billion on April 15, 2000 and increasing to US\$9 billion in 2018 and thereafter.